

29 NOV 1982

MEMORANDUM FOR: Chief, Plans and Programs Staff, OL
FROM:
Chief, Procurement Management Staff, OL
SUBJECT: DCI's Annual Report to Congress

Dave:

Regarding the subject, I have enumerated a few bullets for possible inclusion:

- Increasing levels of foreign investment in domestic corporations prompted the CIA to evaluate any possible threat to sources and methods posed by foreign ownership, control, or influence. As of this report, the Agency is still attempting to determine what level of foreign ownership, control, or influence constitutes an unacceptable threat to security.
- The Congress granted CIA an exception to the Brooks Bill, thereby permitting the Agency to acquire automatic data processing equipment (ADPE) on its own authority and without obtaining a delegation of authority from the General Services Administration. While CIA has not seriously altered its procedures, security is improved since it is no longer necessary to establish a "need to know" for outside auditors.
- The Prompt Payment Act of 1982 (PL 97-177) requires that the Federal Government pay its contractors promptly and in accordance with the terms of its contracts. It was implemented by CIA during the year and required various changes to internal policies, procedures and systems.
- Responsiveness to mission procurement requirements was further improved through further decentralization of the procurement system. New contract teams with procuring authority were co-located with the National Photographic and Interpretation Center to facilitate their expansion program, with the Directorate of Operations in recognition of increased special activities, and with the program on continuity of Government.

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- Increasing reliance throughout the Agency on automation prompted a study of the potential threat to sources and methods posed by the use of ADPE manufactured by foreign firms or by domestic firms with unacceptable levels of foreign ownership, control, or influence. The result has been the establishment of a policy that ADPE would be purchased only from domestic firms.



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